

above, investment in advanced telecommunications services is currently in the many billions of dollars, and the growth of advanced communications services will dramatically impact the U.S. economy and our future global competitiveness. Not only is there much at stake, but the issues are extremely complex and complicated by the fact that there is no "bright line between packet switched and circuit switched networks and services"⁵⁶ and that technologies are converging so rapidly. With so much at stake and the tremendous complexity of issues, the Commission must not prematurely, and with no legal basis, grant regulatory relief to appease ILECs—who have not been able to demonstrate that their networks are open to competition—while potentially impeding the growth of advanced telecommunications services. The Commission should institute a comprehensive rulemaking to develop a regulatory mosaic that benefits from all of industry's input, and not begin the creation of a Byzantine regulatory patchwork originating from the RBOCs' self-serving pleas.

CONCLUSION

The RBOCs' pleas for Section 706 relief in order to provide DSL service are unsupported and must be rejected. The RBOCs' pleas are grounded on the dubious proposition that they cannot economically provide DSL service unless they gain interLATA authority. Even though this proposition is central to their demands, the ILEC petitions devote only a few cursory paragraphs in total to the issue, suggesting there may be limited circumstances in which it may be economically useful to aggregate DSL traffic across LATA lines. In fact, most of the time the reverse may be

⁵⁶ Intermedia at 9.

true, and DSL CLECs have generally found it economical to offer DSL service without carrying traffic across LATA lines. Thus, the RBOCs ask the Commission for excessive relief based on unproven need.

Having failed to establish the need for interLATA authority, the RBOCs then make the equally dubious claim that they need pricing, resale and unbundling relief with regard to DSL service. The descriptions of the precise relief requested are cursory, vague and inconsistent among the RBOCs, and the explanations of the need or justification for relief are even more limited. The RBOCs conclusively suggest they cannot afford to invest in DSL service if they have to provide it to their competitors at significant discounts, and provide not a bit of supporting economic analysis or proof for the vague array of requested unbundling, resale and pricing deregulation. Moreover, in the case of Bell Atlantic and some of the commenting ILECs, the requested relief appears to extend to eliminating the fundamental and explicit section 251 obligations to provide loops and collocation to competitive DSL providers.

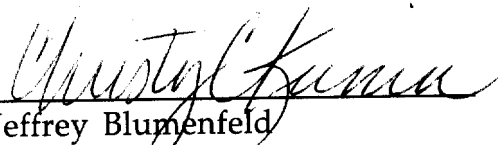
As explained by DATA, the greatest barriers to increased DSL deployment are not these alleged and unproven regulatory "barriers" faced by ILECs. The slow pace of ILEC DSL deployment is more readily attributable to a host of other factors, including ILECs' reluctance to provide a cost-effective data solution that would cannibalize their lucrative multi-billion dollar T-1 market. In fact, the greatest existing barrier to increased DSL deployment is the failure of ILECs to meet their section 251 parity obligations with regard to loops and collocation. DATA and other CLECs have carefully documented these barriers, as well as the effect they have in

limiting competitive alternatives, in hundreds of pages of comments. The RBOCs must not be permitted to once again be in a position to re-monopolize the data market, a market they are just beginning to lose control of, thanks to the 1996 Act and the entrepreneurial efforts of companies like the DATA companies, Covad and others. Thus, in order to truly advance the goals of Section 706 in facilitating widespread deployment of advanced telecommunications services, this Commission should be enforcing, not gutting, existing ILEC obligations with regard to DSL service, and should deny the RBOC petitions in their entirety.

Respectfully submitted,

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